

Councilmembers Scull, Gelman, Gudis, Hanna and Potter voting in the affirmative, Councilman Fosler not voting and Councilwoman Crenca being temporarily absent, Bill No. 12-83 was enacted.

Re: Enactment of Bill No. 13-83, FY84
Salary Maxima

Bill No. 13-83, FY 1984 Salary Maxima, was called for final reading. The Council had before it for consideration Draft No. 3, dated March 25, 1983.

Vice President Gelman, Chairwoman of the Personnel Committee, stated that the Committee reviewed this bill and recommends that it be amended to establish the maximum for grade 39 at \$69,000 and for grade 38 at \$68,000, in addition to the \$70,000 maximum for grade 40, so that there will be a \$1,000 differential between these three grades. The Committee also recommends that the effective date clause be amended so that the bill becomes effective upon signature of the County Executive and will be in place for the start of Fiscal Year 1984.

Vice President Gelman stated that she would like to know whether the County Executive can change the grade of a department head, whom the Council has confirmed at a certain grade, without obtaining the Council's approval.

Councilman Potter stated that he is concerned with the fundamentals of this bill because it establishes a salary which is best negotiated. Establishing the maximum for grade 40 by law makes it impossible to hire a new Chief Administrative Officer who is already earning more than \$70,000. He stated that he does not object to the maxima recommended for grades 38 and 39 because the figures are reasonable and these salaries are not negotiated. Although the salary maximum for grade 40 has been set by law for the past three years, the only position in County government in that grade was occupied. The situation is different now that the County Executive will be recruiting for a new CAO.

Vice President Gelman stated that she basically agrees with Councilman Potter's concerns, and noted that she voted against the salary maxima law when it was first proposed several years ago. However, the County government has been operating under this system for some time, and Bill No. 13-83 is a small adjustment to continue the system.

Councilwoman Gelman moved, duly seconded, that the Council adopt the amendments to Bill No. 13-83 recommended by the Personnel Committee.

In response to an inquiry as to the objection to a maximum for grade 40 greater than \$70,000, Vice President Gelman stated that the Council is working with the program that the Executive proposed several years ago. If the Executive negotiates a salary package for a new CAO that is higher than \$70,000, he can come back to the Council and ask for an amendment to the law. She expressed the view that this maximum will not limit the Executive in his recruitment efforts; he is not obligated to place the CAO's position within the uniform salary schedule.

Councilmembers Potter, Gudis and Scull indicated that the fact that the CAO's position does not have to be within the uniform salary schedule eliminates their concerns about Bill No. 13-83.

Councilman Fosler stated that, although the Executive is not legally bound to place the CAO within the uniform salary scale, the position has been placed there traditionally, and the Executive has expressed his intention to abide by that tradition by not negotiating a salary that is higher than the maximum of grade 40. He suggested that the Council verify the Executive's position in this regard. Councilman Fosler stated that, by capping the top salaries in the salary schedule, they are no longer competitive with other local jurisdictions nor private industry. He expressed concern that the Council is about to establish caps on grades 38 and 39, further compounding the compression problem created by establishing the caps in the first place. Now the Council is attempting to correct the problem by capping lower grades. The uniform salary schedule is no longer uniform and does not have the same logic it started with. Since the new Compensation Task Force will address this problem, he believes that the County can live with the problem for another year. Although each change to the salary schedule can be justified, they create a problem when compounded.

Councilman Potter stated that he agrees with Councilman Fosler as to the effects of compression and the issue of whether the CAO should be paid more than the maximum of grade 40. In response to a statement that the Council is not addressing salaries at a deprivation level, Councilman Potter stated that it is not a question of deprivation as much as competitiveness. Government salaries are traditionally not competitive with corporate

salaries. The Council must be aware of this aspect, and the most critical position in this regard is the CAO. He stated that he is glad to be reassured by Section 210 of the Charter that the compensation of the CAO is to be determined by the County Executive subject to approval by the Council. The Executive must have the freedom to negotiate whenever he finds a good candidate for the position.

President Scull stated that he also has concerns about compression in the salary scale; however, in the current economic climate, he believes it is appropriate to continue the concept that the Council put into law several years ago. He expressed the view that Montgomery County's salaries are competitive within the universe of likely applicants for the high-level positions.

Councilman Fosler pointed out that the General Manager of WMATA, who recently resigned, was earning \$78,000 per year; there was an indication that he is taking another position with a higher salary. In order to get good people in the top positions, the County must be willing to pay competitive salaries. He stated that it will always be possible to find people willing to fill these positions; the question is whether the County will attract the high quality people it wants.

Councilmembers Gelman, Scull, Gudis and Hanna voting in the affirmative, Councilman Fosler voting in the negative, Councilman Potter not voting and Councilwoman Crenca being absent, Councilwoman Gelman's motion was adopted, approving the following amendments to Bill No. 13-83:

Page 2, line 11, delete [39] and insert 37;

Page 2, line 14, delete the word [grade] and insert in lieu thereof grades 38, 39 and;

Page 2, line 15, delete [\$72,000] and insert in lieu thereof \$68,000, \$69,000 and \$70,000, respectively;

Page 3, lines 18 and 19, delete the language in its entirety and insert in lieu thereof: The Council hereby declares that an emergency exists and that this legislation is necessary for the immediate protection of the public health and safety. Therefore, this Act shall take effect on the date on which it becomes law.

Councilman Fosler stated that he would like to determine the County Executive's intent with respect to whether or not he feels bound by tradition to limit the salary of the CAO to the maximum of grade 40 before enacting Bill No. 13-83. In the past, the Council has indicated that the maximum salary it

would approve is the maximum of grade 40. If the Council is no longer taking that position, it should indicate a range of salary it would approve so that the Executive does not negotiate a salary that the Council is not likely to approve.

Vice President Gelman stated that the Council is not binding the Executive; if he feels bound by tradition, that is his decision.

President Scull expressed the view that the tone of the Council's discussion today indicates that the Council is not likely to vote against a salary for the CAO that is greater than \$70,000.

Upon motion of Councilwoman Gelman, duly seconded and without objection, the Council voted to waive the reading of the title and proceed to enactment. Councilmembers Scull, Gelman, Gudis, Hanna and Potter voting in the affirmative, Councilman Fosler voting in the negative and Councilwoman Crenca being absent, Bill No. 13-83, Salary Maxima, was enacted, as amended.

Councilman Potter indicated that he voted for the bill, even though he does not approve of the concept, because the lack of five votes to enact it would cause a sizeable increase in the salaries that have been capped. He looks forward to the work of the Compensation Task Force to correct the situation that has been caused by actions such as this over the past several years.

Vice President Gelman expressed the view that Bill No. 13-83 does not impose a hardship on anyone. It restrains the top level salaries and allows an increase for all County employees.

Councilman Fosler stated that the Council has other choices in addition to enacting this bill or letting salaries increase to what they would have been without the caps having been imposed in the past. He would have preferred that the Council defer action on the bill to ascertain the Executive's position in this regard. If the Council means what it says when it says that it is no longer establishing a de facto cap for government salaries at grade 40, it is also not saying what it thinks that cap should be. That is a change from present policy, and the Council should consider the implications of such a change. Councilman Fosler noted that the U.S. Senate recently went through the agonizing process of increasing the salaries of Senators and Representatives. The general public has the perception that the salaries are already much too high and they are higher than that of the average wage earner

in the U.S. However, they are not high for these top-level positions. Senator Tsongas said that it is wonderful for people who are independently wealthy or who have other sources of income to vote to keep salaries low. However, it is a hardship for people who have only the one source of income. By taking such an action, many people are excluded from going into public service; they cannot afford to make the choice to do so. Councilman Fosler stated that he understands the political popularity of voting to cap salaries. It is a problem that faces all elected bodies and public officials around the country. He expressed the hope that it will not become a problem in Montgomery County.

(The Council recessed at 11:05 A.M., and reconvened at 1:05 P.M.)

Re: Enactment of Bill No. 14-83,
Remedies for Violation of Chapter
11, Consumer Protection

Bill No. 14-83, Remedies for Violations of Chapter 11, Consumer Protection, was called for final reading. The Council had before it for consideration Draft No. 1, dated February 22, 1983.

Upon motion of Councilman Gudis, duly seconded and without objection, the Council voted to waive the reading of the title and proceed to enactment. Councilmembers Scull, Fosler, Gelman, Gudis, Hanna and Potter voting in the affirmative and Councilwoman Crenca being absent, Bill No. 14-83 was enacted.

Re: Enactment of Bill No. 15-83, Motor
Vehicle Repair & Towing
Registration

Bill No. 15-83, Motor Vehicle Repair & Towing Registration, was called for final reading. The Council had before it for consideration Draft No. 2, dated March 31, 1983.

Upon motion of Councilman Gudis, duly seconded and without objection, the Council voted to waive the reading of the title and proceed to enactment. Councilmembers Scull, Fosler, Gelman, Gudis, Hanna and Potter voting in the affirmative and Councilwoman Crenca being absent, Bill No. 15-83 was enacted.

Re: Enactment of Bill No. 16-83,
Radio, Television & Electrical
Appliance Installation & Repairs

Bill No. 16-83, Radio, Television and Electrical Appliance Installation and Repairs, was called for final reading. The Council had before it for consideration Draft No. 1, dated February 22, 1983.

Upon motion of Councilman Gudis, duly seconded and without objection, the Council voted to waive the reading of the title and proceed to enactment. Councilmembers Scull, Fosler, Gelman, Gudis, Hanna and Potter voting in the affirmative and Councilwoman Crenca being absent, Bill No. 16-83 was enacted.

Re: Enactment of Bill No. 17-83,
Taxicabs & Limousines

Bill No. 17-83, Taxicabs and Limousines, was called for final reading. The Council had before it for consideration Draft No. 1, dated February 22, 1983.

Upon motion of Councilman Gudis, duly seconded and without objection, the Council voted to waive the reading of the title and proceed to enactment. Councilmembers Scull, Fosler, Gelman, Gudis, Hanna and Potter voting in the affirmative and Councilwoman Crenca being absent, Bill No. 16-83 was enacted.

Re: Enactment of Bill No. 24-83,
Clarification of Interest on
Revised Tax Bills

Bill No. 24-83, Clarification of Interest on Revised Tax Bills, was called for final reading. The Council had before it for consideration Draft No. 1, dated March 17, 1983.

Assistant County Attorney Malone proposed an amendment to Section 52-2(g) to further indicate that the purpose of this bill is to clarify existing law.

After discussion, upon motion of Councilman Potter and without objection, the Council added the following language to the end of line 29, page 2: for all bills and revised bills paid after April 1, 1980.

At the suggestion of Mr. Malone, after discussion, upon motion of Councilman Gudis, duly seconded and without objection, the Council deleted the